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1960

PUBLIC EMPLOYEES'  
RETIREMENT SYSTEM

of the

STATE OF MONTANA

1959-1960

PLEASE RETURN  
FIFTEENTH ANNUAL REPORT



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November, 1960

Honorable J. Hugo Aronson  
Governor of Montana  
State Capitol  
Helena, Montana

Dear Governor Aronson:

The Board of Administration of the Public Employees' Retirement System of Montana herewith respectfully presents the Fifteenth Annual Report of its operations and progress during the fiscal year of 1959-60 in compliance with the provisions of Section 68-501 (c), Revised Codes of Montana, 1947.

We have enjoyed continued growth in our assets during the past fiscal year and take great pleasure in noting that the Public Employees' Retirement System, in conjunction with the supplementary coverage provided under Social Security, contributes appreciably to the improvement of the personnel standards of the departments of the State of Montana and the member political subdivisions by retaining efficient, economical and stable public employees, by providing a retirement program which more adequately serves the needs of those public employees who become superannuated, disabled, or die in public service without any hardship or prejudice, and by providing such measure of security which will insure greater devotion to their public service during the most productive years of their lives.

We appreciate the opportunity of being able to serve in providing improved and more complete benefits to the faithful and deserving public employees and their beneficiaries, and trust that we may always be able to reward their devoted service to the State of Montana and its political subdivisions with the full measure of security that it merits.

Respectfully submitted,

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

John F. Sasek, Secretary

**REPORT AS OF JUNE 30, 1960**

For the Period Beginning July 1, 1959, and Ending June 30, 1960

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**BOARD OF ADMINISTRATION**

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FRED L. HILL, Great Falls.....Vice-President  
MRS. ELMER SCHYE, White Sulphur Springs.....Member  
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**ADMINISTRATIVE STAFF**

JOHN F. SASEK.....Secretary  
EDWARD D. LITTLE.....Chief Accountant  
MICHAEL J. HUGHES.....Attorney  
FLOYD E. YOUNG.....Consulting Actuary

## HISTORY AND GROWTH

### HISTORY

The 1945 Legislature enacted the Public Employees' Retirement Law which was signed by the Governor in March of 1945 and became effective on July 1, 1945.

The expressed purpose of the Retirement Act is to effect economy and efficiency in the public service by providing a means whereby employees who become superannuated or otherwise incapacitated may, without hardship or prejudice, be replaced by more capable employees, and to that end providing a retirement system consisting of retirement compensation and death benefits.

The Retirement System provides automatic coverage for the eligible public employees of all departments of the State of Montana and the contracting political subdivisions which have elected membership.

### GROWTH

Benefit claims have increased from one (1) at the end of the first fiscal year ending on June 30, 1946, to 2,934 by the end of the fiscal year ending June 30, 1960. Of this amount 1,669 have been retired under service retirements, 338 under ordinary disability retirements, 130 under industrial disability retirements. Seventy-three (73) have received monthly survivorship annuities as death benefits and 724 have received lump sum death benefits.

As of June 30, 1946, 310 employees of 12 political subdivisions and 1,984 state department employees were covered by the Retirement Act. As of June 30, 1960, 7,343 employees of 233 political subdivisions and 8,332 state department employees were covered by the Retirement Act for a total of 15,675 members.

The assets of the system have grown from \$174,466.21 at June 30, 1946, to \$22,436,027.48 at June 30, 1960. Benefit payments have increased from none at the end of fiscal 1945-46 to \$1,662,698.06 for the fiscal year ending June 30, 1960.

# INCOME AND DISBURSEMENTS 1959-60

Assets as of June 30 1959.....		\$19,663,743.98
INCOME FOR YEAR ENDING JUNE 30, 1960		
Interest on Investments.....	\$ 858,148.12	
Employees' Contributions.....	3,027,447.45	
Employers' Contributions.....	1,489,477.22	
Contributions to Expense.....	163,344.30	
Appreciation Bond Write-up.....	4,600.00	
TOTAL INCOME.....		\$ 5,543,017.09
BALANCE CARRIED FORWARD.....		\$25,206,761.07
DISBURSEMENTS FOR YEAR ENDING JUNE 30, 1960:		
Capital Disbursements:		
Retirement Payments—A.R.F.....	\$ 198,192.16	
Retirement Payments—P.A.F.....	905,679.94	
Ordinary Disability Payments—A.R.F.....	23,101.73	
Ordinary Disability Payments—P.A.F.....	93,716.10	
Industrial Disability Payments—A.R.F.....	8,794.50	
Industrial Disability Payments—P.A.F.....	198,490.10	
Survivorship Payments—A.R.F.....	11,418.60	
Survivorship Payments—P.A.F.....	46,398.39	
Death Payments—A.S.F. Refunds.....	97,858.36	
Death Payments—P.A.F.....	79,048.18	
Employees' Savings Refunds.....	1,008,515.54	
TOTAL CAPITAL DISBURSEMENTS.....		\$ 2,671,213.60
Investment Disbursements:		
*Bank Service Charge.....	\$ 40,944.53	
Premium Charge Off—Bonds and Mortgages.....	15,880.52	
Interest Purchased on Investments.....	2,150.86	
TOTAL INVESTMENT DISBURSEMENTS.....		\$ 18,031.38
*Bank Service Charge is not included in the total as this charge is withheld by the servicing agency before making remittance to the Retirement System.		
Disbursements for Administrative Expense:		
Salaries.....	\$ 53,857.90	
Legal and Actuarial Fees.....	8,102.65	
Travel Expense, Employees.....	3,567.43	
Travel Expense, Board Members.....	1,766.46	
Per Diem, Board Members.....	490.00	
Telephone & Telegraph.....	895.14	
Printing.....	2,566.49	
Postage.....	1,171.29	
Supplies.....	1,426.79	
Service Contracts.....	1,030.46	
Insurance and Bonds.....	388.46	
Dues.....	80.00	
Medical and Investigation Expense.....	556.80	
Departmental Contribution to PERS & Social Security.....	3,223.30	
Depreciation, Furniture & Fixtures.....	1,592.63	
Miscellaneous.....	772.81	
TOTAL ADMINISTRATIVE EXPENSE.....		\$ 81,488.61
TOTAL DISBURSEMENTS.....		\$ 2,770,733.59
BALANCE—June 30, 1960.....		\$22,436,027.48



## ASSETS AND LIABILITIES STATEMENT

### LEDGER ASSETS:

*Cash.....	\$ 426,258.45	
*Bonds, U. S. Government .....	7,181,948.46	
*Bonds, Montana Municipals.....	5,151,364.51	
*Mortgage Loans (V.A. and F.H.A.) ..	9,669,445.02	
Furniture and Fixtures.....	7,011.04	
TOTAL LEDGER ASSETS.....		\$22,436,027.48

### NON-LEDGER ASSETS:

Accrued Interest.....	\$ 114,845.06	
Present Value Future State Contribution.....	14,885,133.94	
TOTAL NON-LEDGER ASSETS.....		\$14,999,979.00
TOTAL ASSETS.....		\$37,436,006.48

### LEDGER LIABILITIES:

‡Interest Account .....	\$	
Employees' Savings Account.....	13,303,884.76	
Employees' Annuity Reserve Fund .....	2,236,707.62	
Pension Accumulation Fund.....	4,856,078.80	
Expense Fund.....	2,747.87	
Annuity Savings Interest Reserve.....	2,036,608.43	
TOTAL LEDGER LIABILITIES .....		\$22,436,027.48

### NON-LEDGER LIABILITIES:

#### REQUIRED STATE RESERVE FOR PRIOR AND CREDITABLE SERVICE:

Life Insurance.....	\$ 87,200.00	
‡Additional Pension Reserve: Pensions.....	6,472,332.00	
Disabilities.....	627,514.00	
Additional Reserve for Retirement: A.R.F. ....	245,455.00	
P.A.F. ....	7,567,478.00	
TOTAL NON-LEDGER LIABILITIES .....		\$14,999,979.00
TOTAL LIABILITIES.....		\$37,436,006.48

\*On Deposit with State Treasurer

\*\*Held in Retirement System Office

‡The interest account has been distributed as follows:

Transferred to the Reserve for interest required on Annuity Savings Fund .....	\$ 456,405.31
Transferred to A. R. F.....	59,756.99
Transferred to P. A. F. ....	328,554.44
TOTAL TRANSFERRED.....	\$ 844,716.74

This transfer was effected in accordance with the computations of the Actuary.

‡Until such time as prior service is completely certified, the additional pension reserve for service pensions must necessarily be an approximation.

The ledger assets and ledger liabilities, in detail, were examined and verified by the office of the State Examiner and a copy of the report of that examination is on file in the Retirement Office available for inspection.

## COMPARISON CHART OF ASSETS AND LIABILITIES

	1958-59	1959-60		
Capital Disbursements	\$ 2,373,112.29	\$ 2,671,213.60	Up	12.56
Administrative Expense	69,141.46	81,488.61	Up	17.86
Assets at end of year	19,663,743.98	22,436,027.48	Up	14.10
Investments at end of year	19,479,333.84	22,002,757.99	Up	12.95
Ratio of Administrative Expense to Assets.	.003516	.003632	Up	.000116
*Ratio of Administrative Expense to Total Expense	.0283	.0296	Up	.0013

\*The total expense figure does not include disbursements on investments as these disbursements are in part recoverable as accrued interest and the remainder are costs to earned interest income and are reflected in total yield from investments.

RECAPITULATION OF INVESTMENTS: (Book Value)

MONTANA MUNICIPAL BONDS..... \$ 5,151,364.51

UNITED STATES GOVERNMENT BONDS:

Series "A" .....	\$ 600,000.00
Series "B" .....	104,000.00
Series "G" .....	900,000.00
Series "J" .....	162,400.00
Series "K" .....	885,000.00
Series "78-83" .....	2,485,160.96
Series "1980" .....	415,800.00
Series "1990" .....	669,000.00
Series "1995," 3%.....	960,587.50

TOTAL UNITED STATES GOVERNMENT BONDS .....	\$ 7,181,948.46
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MORTGAGES:

F.H.A. Mortgages .....	\$ 6,461,985.20
Veterans Administration (G.I. Insured Mortgages).....	3,207,459.82

TOTAL INSURED MORTGAGES.....	\$ 9,669,445.02
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TOTAL INVESTMENTS .....	\$22,002,757.99
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As of June 30, 1960, the amount of funds available for investment was \$426,258.45. A percentage accounting of investments is as follows:

MONTANA MUNICIPAL BONDS.....	22.9674%
UNITED STATES GOVERNMENT BONDS.....	32.0208%
F.H.A. & V.A. INSURED MORTGAGES.....	43.1113%
AVAILABLE BUT NOT INVESTED.....	1.9005%
	<hr/> 100.000%

The investments recapitulated above have been examined by the State Examiner's Department of the State of Montana and have been declared in balance. The United States Government Bonds and Montana Municipal Bonds are held in the custody of the Montana State Treasurer. The records on mortgages are held in the Retirement System office.

Detail as to numbers, maturity dates, investment yield, and other data is a matter of record in the Retirement System office and may be inspected upon request.



**INVESTMENTS AND RECAPITULATION OF MORTGAGES  
AND MONTANA MUNICIPAL BONDS BY COUNTY**

COUNTIES:	MORTGAGES		MUNICIPAL BONDS	TOTAL
	FHA	VA		
Beaverhead.....	\$ 52,964.87	\$ 9,608.31	\$	\$ 62,573.18
Big Horn.....	7,074.04	11,109.54	50,000.00	68,183.58
Blaine.....		8,324.62	71,000.00	79,324.62
Broadwater.....	86,362.06	9,023.60	82,200.00	177,585.66
Carbon.....	19,854.76			19,854.76
Cascade.....	571,384.83	143,713.17	40,885.31	755,983.31
Chouteau.....		5,464.59	37,500.00	42,964.59
Custer.....	55,016.83	7,914.97	10,000.00	72,931.80
Daniels.....	12,770.73		50,000.00	62,770.73
Dawson.....	609,374.12	260,742.18	68,000.00	938,116.30
Deer Lodge.....	791,023.12	69,138.50	274,623.87	1,134,785.49
Fallon.....	10,106.95	106,215.99	324,400.00	440,722.94
Fergus.....	48,741.58	11,766.13	92,000.00	152,507.71
Flathead.....	232,290.89	102,843.97	378,082.49	713,217.35
Gallatin.....	692,914.47	98,862.80	22,767.93	814,545.20
Glacier.....	4,901.40		143,314.49	148,215.89
Granite.....			10,000.00	10,000.00
Hill.....	82,556.40	25,504.45	375,100.00	483,160.85
Jefferson*	11,556.58		48,000.00	59,556.58
Judith Basin.....			115,500.00	115,500.00
Lake.....		13,033.69	33,200.00	46,233.69
Lewis and Clark.....	1,055,459.67	153,526.80	121,000.00	1,329,986.47
Lincoln.....	40,372.36		172,875.00	213,247.36
Madison*		4,712.61	31,000.00	35,712.61
McCone.....	7,363.39			7,363.39
Meagher.....	10,272.56		87,250.00	97,522.56
Mineral.....	31,527.95		54,000.00	85,527.95
Missoula.....	114,717.47	48,282.09	109,000.00	271,999.56
Park.....	151,229.73			151,229.73
Phillips.....	19,036.40		61,824.47	80,860.87
Pondera.....		13,703.85	233,452.71	247,156.56
Powder River.....			120,000.00	120,000.00
Powell.....		12,560.10	265,000.00	277,560.10
Ravalli.....	22,916.83		40,000.00	62,916.83
Richland.....	9,696.37	12,924.31	76,000.00	98,620.68
Roosevelt.....	77,911.90	2,576.87		80,488.77
Rosebud.....	58,513.22	41,673.82	95,000.00	195,187.04
Sanders.....	54,236.99		34,721.67	88,958.66
Sheridan.....	29,722.70	5,149.69	87,750.00	122,622.39
Silver Bow.....	179,753.44		649,143.39	828,896.83
Stillwater.....	15,717.88			15,717.88
Sweet Grass.....	11,164.87			11,164.87
Teton.....			219,000.00	219,000.00
Toole.....		8,780.41	283,400.00	292,180.41
Treasure.....			25,000.00	25,000.00
Valley.....	380,759.93	75,521.33	99,000.00	555,281.26
Wheatland.....	46,483.93			46,483.93
Wibaux.....	56,453.81			56,453.81
Yellowstone.....	799,780.17	1,944,781.43	60,373.18	2,804,934.78
<b>TOTALS.</b>	<b>\$ 6,461,985.20</b>	<b>\$ 3,207,459.82</b>	<b>\$ 5,151,364.51</b>	<b>\$14,820,809.53</b>

\*Joint School Districts 4 and 47 of Jefferson and Madison Counties are represented by \$31,000.00 of bonds listed under Madison County.

### GROWTH OF ASSETS

Assets as of 6-30-46.....	\$ 174,466.21
6-30-47.....	641,449.61
6-30-48.....	1,494,763.04
6-30-49.....	2,575,950.55
6-30-50.....	3,703,567.43
6-30-51.....	4,852,885.50
6-30-52.....	6,118,248.38
6-30-53.....	7,732,151.25
6-30-54.....	9,188,971.92
6-30-55.....	10,843,433.14
6-30-56.....	12,648,467.38
6-30-57.....	14,733,266.40
6-30-58.....	17,284,870.97
6-30-59.....	19,479,333.84
6-30-60.....	22,436,027.48

### GROWTH OF BENEFIT PAYMENTS

7-1-45 to 6-30-46.....	\$ 0
7-1-46 to 6-30-47.....	42,455.27
7-1-47 to 6-30-48.....	108,176.20
7-1-48 to 6-30-49.....	210,881.29
7-1-49 to 6-30-50.....	284,350.55
7-1-50 to 6-30-51.....	408,325.40
7-1-51 to 6-30-52.....	480,431.07
7-1-52 to 6-30-53.....	557,814.34
7-1-53 to 6-30-54.....	638,258.15
7-1-54 to 6-30-55.....	745,992.75
7-1-55 to 6-30-56.....	828,454.85
7-1-56 to 6-30-57.....	997,160.76
7-1-57 to 6-30-58.....	1,227,099.29
7-1-58 to 6-30-59.....	1,352,383.16
7-1-59 to 6-30-60.....	1,662,698.06

### ANALYSIS OF INTEREST EARNINGS

Montana Municipal Bonds: (7-1-59 to 6-30-60).....	\$183,726.21
less interest purchased.....	\$ 1,624.76
less premium paid.....	11,535.02
Net Interest on Municipal Bonds.....	<u>13,159.78</u>
Yield on Montana Municipal Bonds 7-1-59 to 6-30-60.....	\$170,566.43
	3.31%
United States Government Bonds: (7-1-59 to 6-30-60).....	\$223,561.23
plus appreciation bond write-up.....	4,600.00
	<u>\$228,161.23</u>
less interest purchased.....	4,345.50
Net Interest on United States Bonds.....	\$223,815.73
Yield on United States Bonds 7-1-59 to 6-30-60.....	3.11%
Mortgages: Net Interest (7-1-59 to 6-30-60).....	\$450,334.58
Yield on Mortgages 7-1-59 to 6-30-60.....	4.66%
<hr/>	
Average Yield on Total Invested 7-1-59 to 6-30-60.....	3.69%

### Comparison of Yield

(3 year)

Average Yield 7-1-57 to 6-30-58.....	3.31%
Average Yield 7-1-58 to 6-30-59.....	3.36% Up .05%
Average Yield 7-1-59 to 6-30-60.....	3.69% Up .33%

## **BENEFIT INFORMATION**

### **DEATH BENEFITS**

Since the effective date of the Public Employees' Retirement System on July 1, 1945, death benefits have been paid to the beneficiaries of 797 members. Of this number 724 claims were paid as lump sum payments and the remaining 73 were elected as monthly survivorship annuities by the beneficiaries. One (1) beneficiary who was receiving a monthly survivorship annuity was removed from the payment roll because of death. During the fiscal year of 1959-60, sixty-nine (69) members were deceased with 61 beneficiaries electing the lump sum payment and 8 beneficiaries electing the monthly survivor annuities.

### **SERVICE RETIREMENTS**

Since the effective date of July 1, 1945, 1,669 members have been retired under service retirements. One hundred and fifty two (152) of these service retirements were approved by the Board of Administration during the fiscal year 1959-60. A total of 1,186 were still on service retirement at June 30, 1960, with 483 having been removed from the retirement roll by death or reinstatement.

### **DISABILITY RETIREMENTS**

Since the effective date, July 1, 1945, 468 disability claims have been paid with 338 being the ordinary type disability and 130 the industrial type disability. During the fiscal year 1959-60 the Board of Administration approved 16 ordinary disability allowances and 11 industrial disability allowances. A total of 121 were still receiving ordinary disability allowances and 94 industrial disability allowances at June 30, 1960, with 253 having been removed from the disability roll by death or reinstatement.

### **REFUNDS**

During fiscal 1959-60, 5,002 refund applications were processed for terminating public employees compared with 4,768 for fiscal 1958-59, or an increase of 4.68%.

### **MEMBERSHIP**

The net membership at June 30, 1960, including members and retirants, was 17,148 as compared with a net membership of 18,014 at the end of the previous fiscal year. This represents a net membership decrease of 4.81%. The net membership figure decreased since an amendment to the Retirement System Act by the 1959 Legislature excludes from coverage all part-time or temporary help which does not exceed 60 working days in any one fiscal year. The retirement system during fiscal 1959-60 also made a special effort to contact all terminated public employees who had not withdrawn their contributions and removed many inactive accounts from the membership roll.

# BENEFIT PAYMENTS

(at 6-30-60)

## 1. Age of Recipients at June 30, 1960

Age Group	Retirements		Death Benefit Survivorships		Ordinary Disabilities		Industrial Disabilities	
	Male	Female	Male	Female	Male	Female	Male	Female
25-29.....	....	....	....	....	....	....	1	....
30-34.....	....	....	....	....	....	....	....	....
35-39.....	....	....	....	1	....	....	1	1
40-44.....	....	....	....	1	....	....	4	1
45-49.....	....	2	....	2	1	1	5	3
50-54.....	....	....	1	9	....	3	6	....
55-59.....	....	....	1	12	7	4	12	2
60-64.....	14	16	....	12	16	4	10	1
65-69.....	223	62	2	14	25	10	16	5
70-74.....	275	94	....	10	18	16	10	6
75-79.....	241	66	....	7	8	3	6	....
80-84.....	115	25	....	....	4	1	3	1
85-89.....	44	4	....	....	....	....	....	....
90-94.....	5	....	....	....	....	....	....	....
	917	269	4	68	79	42	74	20

## 2. Age of Recipients at Effective Date of Benefit

Age Group	Retirements		Death Benefit Survivorships		Ordinary Disabilities		Industrial Disabilities	
	Male	Female	Male	Female	Male	Female	Male	Female
25-29.....	....	....	....	....	....	....	2	....
30-34.....	....	....	....	....	....	....	....	....
35-39.....	....	....	....	2	....	....	4	....
40-44.....	....	....	....	1	1	1	4	3
45-49.....	....	....	2	8	2	1	9	....
50-54.....	....	....	....	13	5	3	11	1
55-59.....	....	....	....	10	18	4	11	1
60-64.....	85	31	....	13	46	14	21	4
65-69.....	420	84	2	15	18	6	12	3
70-74.....	342	84	....	6	2	....	5	3
75-79.....	105	17	....	....	....	....	....	....
80-84.....	13	1	....	....	....	....	....	....
85-89.....	4	....	....	....	....	....	....	....
	969	217	4	68	92	29	79	15

Of those members who originally elected to receive a benefit, 52 retirements, 13 ordinary disabilities and 5 industrial disabilities have since died and a benefit is being paid to their beneficiaries by option. The age and sex of the beneficiary is indicated in chart No. 1. The age and sex of the original retiree is included in chart No. 2 merely to show at what age the benefit was elected. Figures are not included for the benefit recipients who died prior to June 30, 1960 and no monthly allowance is being paid to any beneficiary.

# **BENEFIT PAYMENTS**

(at 6-30-60)

## **3. By Year Benefit Payment Started**

Year Benefit Payment Started	Retirements		Death Benefit Survivorships		Ordinary Disabilities		Industrial Disabilities	
	Male	Female	Male	Female	Male	Female	Male	Female
From 7-1-1945.....	....	....	....	....	....	....	1	....
1946.....	....	....	....	....	3	....	1	....
1947.....	17	4	....	....	5	....	....	....
1948.....	38	3	....	....	1	3	....	1
1949.....	55	5	....	....	9	4	4	....
1950.....	46	5	....	....	6	....	3	2
1951.....	78	18	....	....	12	5	3	....
1952.....	44	15	....	....	6	2	7	....
1953.....	72	8	1	9	8	3	8	1
1954.....	54	12	2	9	3	4	7	1
1955.....	55	11	1	7	3	2	11	2
1956.....	100	21	....	14	10	....	6	1
1957.....	137	40	....	17	12	2	14	4
1958.....	98	32	....	4	4	2	6	1
1959.....	108	30	....	7	6	1	6	1
to 6-30-1960.....	67	13	....	1	4	1	2	1
	969	217	4	68	92	29	79	15



# LUMP SUM DEATH BENEFIT PAYMENTS

7-1-45 to 6-30-60

<u>AGE AT DEATH</u>	<u>Male</u>	<u>Female</u>	<u>AGE AT DEATH</u>	<u>Male</u>	<u>Female</u>
18.....	..	1	54.....	17	....
19.....	1	..	55.....	17	1
22.....	2	....	56.....	20	1
23.....	3	1	57.....	16	1
25.....	.	2	58.....	17	6
26.....	....	1	59.....	23	1
27.....	2	....	60.....	20	2
28.....	2	....	61.....	24	2
29.....	5	....	62.....	27	3
30.....	3	....	63.....	31	3
31.....	1	1	64.....	25	2
32.....	3	1	65.....	20	4
33.....	2	.	66.....	26	6
34.....	....	1	67.....	31	2
35.....	2	....	68.....	16	....
36.....	3	1	69.....	23	3
37.....	3	1	70.....	17	1
38.....	6	3	71.....	14	1
39.....	2	2	72.....	15	1
40.....	10	1	73.....	9	1
41.....	6	1	74.....	13	....
42.....	9	1	75.....	10	....
43.....	6	1	76.....	3	1
44.....	15	4	77.....	4	....
45.....	14	1	78.....	2	1
46.....	5	....	79.....	2	....
47.....	6	1	80.....	2	....
48.....	11	1	81.....	1	....
49.....	16	5	83.....	1	....
50.....	12	1	84.....	1	....
51.....	7	4	86.....	2	..
52.....	18	2	87.....	1	..
53.....	15	3		640	84

# WHERE BENEFIT RECIPIENTS CAME FROM

(at 6-30-60)

	<u>State Departments</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>County High Schools</u>	<u>Other Agencies</u>
Retirements.....	495	346	187	130	11	17
Death Benefit Survivorships.....	31	25	13	1	1	1
Ordinary Disabilities.....	60	33	19	7	1	1
Industrial Disabilities.....	50	21	16	4	1	2
	<u>636</u>	<u>425</u>	<u>235</u>	<u>142</u>	<u>14</u>	<u>21</u>

# LOCATION OF BENEFIT RECIPIENTS

(at 6-30-60)

Alaska.....	2
Arizona.....	9
Arkansas.....	1
California.....	51
Colorado.....	2
Florida.....	6
Idaho.....	6
Illinois.....	2
Iowa.....	1
Kansas.....	2
Maryland.....	1
Michigan.....	1
Minnesota.....	6
Missouri.....	4
Montana.....	1,301
Nevada.....	4
New York.....	1
North Dakota.....	2
Oklahoma.....	1
Oregon.....	18
South Carolina.....	1
South Dakota.....	2
Texas.....	1
Utah.....	4
Washington.....	38
Wisconsin.....	3
Wyoming.....	1
Washington D. C.....	1
Sweden.....	1
	<u>1,473</u>

# MEMBERSHIP

The System had a net decrease in membership of 1,033 as of June 30, 1960. The net membership decrease was in part a result of the 1959 amendment to the Retirement Act that excludes from coverage all part-time or temporary help which does not exceed 60 working days in any one fiscal year. The retirement system during fiscal 1959-60 also made a special effort to contact all terminated public employees who had not withdrawn their contributions and removed many inactive accounts from the membership roll.

## MEMBERSHIP

Fiscal Year	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	
State Departments .....	1,677	2,864	3,242	3,285	3,731	4,312	4,763	
Counties .....	.....	67	1,129	1,348	1,460	1,748	1,980	
Cities .....	.....	203	488	610	712	762	822	
School Districts .....	.....	46	192	294	328	434	566	
County High Schools.....	.....	.....	15	22	28	45	60	
Other Agencies .....	.....	50	64	84	99	98	103	
Inactive Accounts .....	.....	.....	.....	419	536	725	628	
TOTAL .....	1,677	3,230	5,130	6,062	6,894	8,124	8,922	
Fiscal Year	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
State Departments .....	5,088	5,211	5,654	6,774	8,002	8,329	9,030	8,332
Counties .....	2,264	2,487	2,625	3,987	3,816	4,614	4,184	3,915
Cities.....	1,005	1,146	1,206	1,322	1,546	1,847	1,904	1,794
School Districts .....	628	728	775	957	1,080	1,244	1,271	1,320
County High Schools.....	62	72	82	90	135	124	115	112
Other Agencies .....	111	164	160	163	186	213	204	202
Inactive Accounts .....	560	380	314	333	312	.....	.....	.....
TOTAL .....	9,718	10,188	10,816	13,626	15,077	16,371	16,708	15,675

## MEMBERSHIP STATUS

### STATE DEPARTMENTS:

Adjusted Compensation Division.....	8	Legislature .....	5
Adjutant General .....	28	Legislative Council .....	5
Aeronautics Commission .....	8	Library Extension Commission.....	14
Agriculture Department .....	132	Liquor Control Board.....	288
Apprenticeship Council .....	4	Livestock Commission .....	63
Attorney General .....	13	Livestock Sanitary Board.....	35
State Auditor .....	22	Milk Control Board.....	7
Bank Examiners .....	22	School of Mines.....	77
Chancellor's Office .....	3	Northern Montana College of Education.....	45
Children's Center .....	85	Nurses Examining Board.....	2
Civil Defense .....	3	Board of Pardons.....	10
College, Montana State .....	819	Plumbing Examiners .....	1
Controller's Office .....	25	Poultry Improvement Board.....	2
Custodian, Capitol .....	74	Prison .....	208
Deaf and Blind School.....	20	P. E. R. S.....	19
Director of the Budget.....	2	Public Instruction .....	67
District Judges .....	20	Public Welfare .....	281
Eastern Montana College of Education.....	70	Railroad & Oil Conservation.....	45
Entomologist .....	5	Registrar of Motor Vehicles.....	66
Equalization, Board of.....	122	Secretary of State.....	14
Examiners, State Board of.....	17	Soldiers' Home .....	26
Fish and Game Department.....	276	Supreme Court .....	16
Forestry Department .....	132	Taxation and Education Commission.....	1
Governor's Office .....	3	Teachers' Retirement System.....	7
Grass Conservation Board.....	1	Trade Commission .....	4
Hail Insurance .....	7	Training School .....	175
Board of Health.....	110	Treasurer's Office .....	6
Highway .....	2,526	Tuberculosis Sanitarium .....	321
Highway Patrol .....	49	U. C. C.....	280
Historical Library .....	24	University .....	543
Home for the Aged.....	22	Veterans' Welfare Commission.....	29
State Hospital .....	668	Vocational Rehabilitation .....	24
Industrial Accident Board.....	60	Vocational School for Girls.....	29
Industrial School .....	93	Water Conservation Board.....	94
Labor and Industry.....	3	Western Montana College of Education.....	22
Land and Investments.....	22		
Law Library .....	3		
		STATE DEPARTMENTS TOTAL.....	8,332

## MEMBERSHIP STATUS

### COUNTIES:

County Attorneys .....	30	Madison County .....	36
Beaverhead County .....	53	McCone County .....	32
Big Horn County.....	55	Meagher County .....	18
Blaine County .....	79	Missoula County .....	101
Broadwater County .....	26	Musselshell County .....	30
Carbon County .....	59	Park County .....	60
Carter County .....	21	Petroleum County .....	14
Cascade County .....	381	Phillips County .....	45
Chouteau County .....	79	Pondera County .....	51
Custer County .....	60	Powell County .....	39
Daniels County .....	39	Powder River County.....	24
Dawson County .....	51	Prairie County .....	28
Deer Lodge County.....	45	Ravalli County .....	56
Fallon County .....	27	Richland County .....	58
Fergus County .....	89	Roosevelt County .....	66
Flathead County .....	244	Rosebud County .....	54
Gallatin County .....	107	Sanders County .....	102
Garfield County .....	27	Sheridan County .....	108
Glacier County .....	57	Silver Bow County.....	184
Golden Valley County.....	18	Stillwater County .....	36
Granite County .....	78	Sweet Grass County.....	27
Hill County .....	87	Teton County .....	66
Jefferson County .....	37	Toole County .....	123
Judith Basin County.....	63	Treasure County .....	16
Lake County .....	95	Valley County .....	62
Lewis & Clark County.....	197	Wheatland County .....	21
Liberty County .....	59	Wibaux County .....	28
Lincoln County .....	51	Yellowstone County .....	216
		COUNTIES TOTAL .....	3,915

# MEMBERSHIP STATUS

## SCHOOL DISTRICTS:

No. 1 Big Timber .....	3	No. 10 Chinook .....	10
No. 1 Butte .....	93	No. 10 Conrad .....	7
No. 1 Choteau .....	7	No. 10 Dillon .....	2
No. 1 Circle .....	8	No. 10 Noxon .....	5
No. 1 Corvallis .....	5	No. 12 Klein .....	4
No. 1 Deer Lodge .....	12	No. 12 Rosebud .....	5
No. 1 Glendive .....	14	No. 12 Saco .....	4
No. 1 Great Falls .....	264	No. 12 Stanford .....	14
No. 1 Havre .....	0	No. 1 & 13 Box Elder.....	6
No. 1 Helena .....	56	No. 13 Fairview .....	10
No. 1 Garfield County .....	6	No. 13 Nashua .....	11
No. 1 Lewistown .....	27	No. 14 Chinook .....	2
No. 1 Miles City .....	9	No. 14 Malta .....	11
No. 1 Missoula .....	33	No. 15 Custer .....	4
No. 1 Plains .....	4	No. 15 Cut Bank .....	17
No. 1 Red Lodge .....	7	No. 16 Havre .....	27
No. 1 Scobey .....	18	No. 17 Culbertson .....	7
No. 1 Virginia City .....	3	No. 17 Hardin .....	23
No. 2 Alberton .....	6	No. 19 Brady .....	2
No. 2 Billings .....	73	No. 20 Plentywood .....	13
No. 2 Bridger .....	12	No. 21 Broadview .....	3
No. 2 Dodson .....	4	No. 23 Polson .....	13
No. 2 Helena .....	1	No. 23 Roberts .....	7
No. 2 Sunburst .....	7	No. 24 Three Forks .....	7
No. 2 Thompson Falls .....	5	No. 25 Hobson .....	3
No. 3 Cascade .....	12	No. 27 Augusta .....	0
No. 3 Hamilton .....	9	No. 28 Ronan .....	24
No. 3 Superior .....	7	No. 29 Belt .....	7
No. 4 Forsyth .....	13	No. 30 Power .....	10
No. 4 Livingston .....	9	No. 31 Gilman .....	0
No. 4 & 47 Whitehall .....	4	No. 33 Oilmont .....	6
No. 5 Kalispell .....	13	No. 38 Bigfork .....	6
No. 5 Park City .....	3	No. 39 Simms .....	12
No. 5 Sand Coulee .....	4	No. 41 Lavina .....	5
No. 5 Sheridan .....	6	No. 44 Belgrade .....	13
No. 5 Sidney .....	10	No. 44 Moore .....	2
No. 5 Terry .....	12	No. 45 Augusta .....	4
No. 6 Ryegate .....	6	No. 45 Wolf Point .....	18
No. 7 Bozeman .....	22	No. 50 East Glacier .....	3
No. 7 Hinsdale .....	8	No. 50 Hays .....	4
No. 7 Laurel .....	25	No. 52 Absarokee .....	5
No. 7 Townsend .....	4	No. 52 Ennis .....	10
No. 8 Elder Grove .....	0	No. 53 Wilsall .....	4
No. 8 Jordan .....	2	No. 55 Brockton .....	7
No. 9 Browning .....	30	No. 55 Roundup .....	9
No. 9 Chinook .....	0	No. 58 Geyser .....	5
No. 9 Dixon .....	4	No. 64 Melstone .....	3
No. 9 Musselshell .....	4	No. 75 Greenfield .....	7
No. 9 Opheim .....	10	No. 159 Winnett .....	2
No. 10 Anaconda .....	43		

SCHOOL DISTRICTS TOTAL.....1,320



# MEMBERSHIP STATUS

## CITIES:

Anaconda	11	Hardin	33
Belt	3	Havre	86
Big Sandy	3	Helena	125
Billings	228	Kalispell	74
Bozeman	72	Laurel	25
Butte	175	Lavina	0
Cascade	3	Lewistown	24
Chinook	17	Libby	11
Choteau	13	Livingston	28
Circle	3	Malta	20
Columbia Falls	8	Miles City	49
Conrad	18	Missoula	132
Culbertson	3	Philipsburg	13
Cut Bank	23	Plains	3
Deer Lodge	16	Plentywood	9
Dillon	12	Polson	13
Dutton	3	Poplar	10
East Helena	7	Roundup	19
Fairfield	4	Ryegate	1
Fairview	7	Sidney	40
Forsyth	21	Stanford	3
Fort Benton	6	Townsend	4
Glasgow	46	Walkerville	1
Glendive	42	Whitefish	21
Great Falls	269	Winnett	2
Hamilton	18	Wolf Point	17

CITIES TOTAL 1,794

## COUNTY HIGH SCHOOLS:

Beaverhead County High	10	Jefferson County High	3
Broadwater County High	5	Missoula County High	39
Custer County High	5	Park County High	4
Dawson County High	6	Powell County High	7
Fergus County High	6	Sweet Grass County High	5
Flathead County High	19		
Gallatin County High	3		

COUNTY HIGH SCHOOLS TOTAL 112

## OTHER AGENCIES:

Anaconda Housing Authority	5	Health District II	6
Billings Water Department	85	Health District III	2
Bitterroot Irrigation Dist.	10	Helena Housing Authority	4
Butte Housing Authority	6	Hill Co. Cemetery	5
Fort Shaw Irrigation Dist.	12	Livingston Water Department	8
Great Falls Housing Authority	4	Malta Dodson Irrigation	12
Greenfield Irrigation Dist.	37	Missoula Public Library	0
Health District I	6		

OTHER AGENCIES TOTAL 202

## ACTUARIAL INVESTIGATION

In accordance with Section 68-501 (j), R.C.M., 1947, an actuarial investigation has been made of the mortality, service and compensation experience of the members and beneficiaries resulting in the Non-Ledger Assets and Non-Ledger Liabilities as shown in the Assets and Liabilities Statement included in this report.

In making the evaluation of the reserve requirements for the Public Employees' Retirement System, one or two items prove worthy of mention, namely, that out of the 10,154 male members the average salary per contributing member is \$3,244.00. The female employees, numbering 5,372, are receiving an average annual salary of \$2,224.00. Some degree of these average salaries can be accounted for through the fact that many of the contracting political subdivisions are counties where the maximum salary payable for the job is fixed by the State Legislature.

The other fact of interest is that retired members of the System are living substantially longer than the rates of death assumed in the mortality table upon which the rates are currently based. It required a transfer of \$245,455.00 from the Pension Accumulation Fund to the Annuity Reserve Fund, which is the fund out of which all annuity payments are made to retired members and originates from their contributions plus interest received up to the time of retirement.

It would seem as though, on the average, the male retirants are living 3½ to 4 years longer than anticipated and the female retirants are living 9 to 9½ years longer than that anticipated. This, of course, is an additional drain on the funds when there is as large a group of retirements as we currently have.

## STATE EXAMINERS COMMENTS

Cash balances, investments and outstanding checks were verified by direct examination and correspondence.

Capital, investment and administrative claims were checked for the period.

Minutes were up to date, well written and properly signed.

Verification notices have been mailed covering various types of benefit payments to individuals on all new recipients since the last examination. A spot check is being made on recipients of payments prior to this period.

Harding Hanson  
Deputy State Examiner

A copy of the examination report by the State Examiner's Office is on file in the Retirement System Office and is available for inspection during regular office hours.



